MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2017/2018

BBM3824 – SMALL BUSINESS MANAGEMENT

7 MARCH 2018
9:00AM – 11:00AM
(2 HOURS)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **4 pages** (exclusive of cover page) only.
2. **Answer ALL questions.** All questions carry equal marks and the distribution of the marks for each question is given.
3. Please provide **all your answers** in the Answer Booklet provided.

INSTRUCTIONS: Answer ALL questions.

QUESTION 1 (40 marks)

How Successful Entrepreneurs Build Opportunity Funnels

Forbes/Entrepreneurs - May 10, 2017. Robin Bruce

Waiting around for your next big break to just appear isn't an option for most entrepreneurs, and it places too much emphasis on luck. Locking yourself in a room to dream up your next great business idea typically yields the same results as waiting, if not worse. Even if you have a great idea, you can't start a business in a vacuum. That's why successful entrepreneurs obsess over building opportunity funnels just as much as building businesses.

What is an opportunity funnel?

An opportunity funnel is a systematic approach to attract, assess, and capture attractive opportunities. The effectiveness and efficiency of the process is meant to be continually improved over time.

You may be tempted to thoroughly evaluate each and every opportunity that comes your way out of a fear that you'll miss something. And there's nothing wrong with being thorough, but it costs time and money to fully evaluate each opportunity so a "first come, first serve" approach won't work.

Instead, think about opportunities about the way you would a sales funnel. A certain number of opportunity leads or prospects will inevitably opt-out or be screened out at each step, so the quality of the remaining opportunities is improved.

Building opportunity funnels

Start by asking questions or establishing tests that screen out these subpar opportunities so that you have the time to focus on the most attractive candidates. Is this opportunity from a source I trust and respect? Is it exciting? Does saying yes to the opportunity strengthen my core value as an entrepreneur? Is the investment required within my means?

Define, order, and estimate the cost of each step in this evaluation process. Determine how many opportunities you can afford to review at each step. Then you can estimate the cumulative cost of the funnel you are building. In other words:

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Cost of each step x Number of opportunities you can afford to review = The cost of your funnel.

Once you understand your funnel and its cost implications, you can assign personal responsibility and weight to each step. Depending on your stage, this may be just you or this may happen across a team.

You must also embrace the reality that at any stage, an opportunity could fail the next test and be rejected. Estimate the cost of abandoning a project at each stage to see where cracks in the funnel will be most costly. Remain a disciplined student of your own process and maintain a healthy scepticism of the ability of your opportunity funnel to deliver the best fits.

What about just going for it?

You're probably familiar with this business archetype: Have a great idea. Launch. Fail fast. Grow fast. Raise funding. Keep growing. Pursue an IPO. Entertain acquisition offers. Eventually sell your business in exchange for riches, power and the adoration of the media.

Why not use someone else's money and ambition to skip the early hustle and fast forward to an effective business model? If you choose this route, you will find yourself cheered on by a chorus of investors, press and start-up junkies. At least, that is, until the money runs out. Frankly, this model doesn't work very well in the real world. Hubris and OPM (other people's money) turn out to be a poor substitute for hard work and experimentation when searching for the right opportunity that will lead to a profitable business model.

The Lean Start-up movement has given many new entrepreneurs the impression that there are shortcuts to building a successful business. But the real value in the methodology is in the spirit of experimentation and taking risks – calculated risks.

Build your opportunity funnel alongside your business

Building an intelligent opportunity funnel over time will help you to quickly evaluate opportunities and pursue the ones with the highest ROI. If there is a golden needle in the opportunity haystack, using an opportunity funnel to winnow out the chaff is the best way to find it.

The most successful entrepreneurs don't rely on luck, and they certainly don't rely on the first opportunity that falls into their laps. Their opportunity funnels are just as thoughtful and deliberate as the businesses they build. And that's no coincidence.

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Answer the following questions:

a. "Waiting around for your next big break to just appear isn't an option for most entrepreneurs, and it places too much emphasis on luck. Locking yourself in a room to dream up your next great business idea typically yields the same results as waiting, if not worse."

i. For such great business idea, identify and explain the THREE (3) proven ways on how opportunities can be identified.

(10 marks)

ii. Explain how an idea can be validated having all the essential qualities of an opportunity.

(10 marks)

b. "Start by asking questions or establishing tests that screen out these subpar opportunities so that you have the time to focus on the most attractive candidates. Is this opportunity from a source I trust and respect? Is it exciting? Does saying yes to the opportunity strengthen my core value as an entrepreneur? Is the investment required within my means?"

The above refers to the process of evaluating an opportunity, which is very critical in all entrepreneurial initiatives.

i. Discuss the Process Model of Creativity, Innovation and Entrepreneurship giving emphasis of the activities on the opportunity and output at each stage of the process.

(10 marks)

ii. Feasibility analysis is done at the opportunity evaluation stage. Identify and explain the FOUR (4) forms of a comprehensive feasibility analysis.

(10 marks)

(Total: 40 marks)

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QUESTION 2 (30 marks)

a. Managing the growth barrier is a phase when the entrepreneur is faced with the challenges of growth. Achieving such rapid progress of being able to overcome the barrier, requires the entrepreneur to actually appreciate and understands the need to sustain.
Discuss the issues on the day-to-day challenges of a growing firm in this phase of the business cycle process?

(15 marks)

b. As entrepreneurial ventures progressed in their objective of seeking and creating wealth, it is inevitable that they must consistently grow. However, different entrepreneur may be motivated to grow by different reasons and perspective.
Identify and sufficiently explain at least **FOUR** (4) reasons why a firm will want to pursue growth.

(15 marks)

(Total 30 marks)

QUESTION 3 (30 marks)

a. Discuss the term Entrepreneurial Transition and why is it so important for entrepreneurs to be aware and thereafter be able to successfully overcome the challenges.

(15 Marks)

b. What is Corporate Entrepreneurship?

(5 marks)

c. How can Corporate Entrepreneurship sustain entrepreneurial success?

(10 marks)

(Total 30 marks)

END OF PAPER